Abstract

Today, different parts of a value chain operate in different places, different firms may hold ranges of brands with different national heritages, and leaders, shareholders and customers are widely spread across the world. Policy makers are facing new challenges as national borders define less and less of corporate thinking. In this paper, we argue that there is a need to find a new way of how to understand the relationship between business and nation-states.

The theoretical framework was constructed by breaking down the concept of national identity of companies. We found four different aspects that we argue can connect business to nations, and in the empirical study, our ambition is to test this framework. By conducting the study using qualitative content analysis, we aim to answer the research question of if it possible to understand the national identity of companies through different aspects of business, and if so, how this is reflected in the national trade policies of four countries.

Our results showed that by looking beyond the traditional view of national identity of companies, policy makers have three important factors to take into regards when considering their relations to business; location, culture and contribution.

Key words: national identity, nationality, citizenship, company, firm, corporation, multinational, country, nation-state, global value chains, policy making, globalisation, products, service, goods, brands, task, rules of origin, trade, fragmentation.
Foreword

We would like to take this opportunity to thank our supervisor Linda Wedlin who during this process has provided advice and guidance, as well as encouragement and engagement to help us forward. Throughout the work with this paper, we have not only come to a deeper understanding of the issue in question, but also of what it means to engage in research and of what it really means to be a team.

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1. Countries, Companies and Change

In 1968, Jil Sander, a fashion designer born in Germany opened her first store in Hamburg to sell her own designs (Style, 2014). A German citizen, opening a store in Germany where she sold German design, it all seems very clear. However, since 1968, the world has seen a lot of changes, and so have Jil Sander and her company. Today, the registered office of the company bearing the name of Jil Sander is in Milan, Italy, and is governed by Italian law (Jil Sander, 2014). Until 2008, Jil Sander was owned by the London-based parent company Change Capital Partners, but was later sold to the current owner, the Tokyo-listed Onward Holdings Co Ltd. (Vogue, 2008). Jil Sander has been referred to as a successful German company (Hutchinson, Quinn & Alexander, 2006) and the brand has been called both Italian (The Fashion Law, 2014) and German (Vandevelde, 2013). In addition, the German founder herself has left and returned to the firm a few times throughout the years (The Fashion Law, 2014). So, how do we define the company of Jil Sander in terms of its national identity? Could it be German, Italian, Japanese or even British at one point?

In this paper, we argue that from a business perspective, it is no longer sufficient to state that a company is simply ‘German’ or ‘Italian’, and therefore, there is a need to develop a new way for how we can understand the relationship of countries and companies.

Traditionally, national governments had more evident geographical areas to manage, with businesses that were more clearly bound to one country. Today, firms with different origins operate in different countries in search of larger markets or lower labour costs, new technologies, and additional sources of capital (Mabry, 1999). Technological advances permit different parts of a value chain to operate in different places and firms can consist of different national heritages, and leaders, shareholders and customers can be widely geographically spread (Jones, 2006a).

This issue of companies’ national belonging is growing in importance for policy makers (Jones, 2006a) as the landscape of trade and international production is shifting. According to the Organisation for Economic Co-operation and Development (OECD, 2014), we are moving towards an increased scope and scale of fragmentation, which is a part of the cross-border economic organisation that goods and services undergo from conception and design to production, marketing and distribution. When describing this, we refer to the development of ‘global value chains’ (GVCs), which is claimed to change
the economic context and make firms rely more heavily on inputs from diverse suppliers across the globe. Together they become part of a broad network of actors whose activities are interwoven to produce a single product. The way firms (and by default countries) have specialised, has also been claimed to change. Instead of producing goods from beginning to the end, firms focus on specific tasks within the production process (OECD, 2014). By that, firms’ competitiveness has shifted away from the resources available within national borders, to the possibility of accessing efficient integration of technology, expertise, capital, labour and other strategic assets across the globe (OECD, 2014). The OECD (2014) also argues that GVCs affects the employment and income structure in countries by influencing the demand of certain segments of the labour force.

According to a joint note from the OECD and the World Trade Organisation (WTO, 2012), the complexity of GVCs lies in the calculation of international trade and national income. When producing in GVCs, exported goods can consist of significant intermediate inputs that are imported by domestic manufacturers from other countries, which means that much of the revenue (or value-added) from the exported good may accumulate to foreign intermediate goods productions, leaving only marginal benefits in the exporting economy (WTO 2012). The growing importance of GVCs has led to the realisation that the way international trade has traditionally been accounted for may no longer be sufficient (UNCTAD 2013).

As pointed out by The National Board of Trade (2013): "Companies trade; countries do not". Yet, national governments create conditions for companies’ activities and existence through the use of different instruments, such as national policy regulations or through changed market-access conditions (National Board of Trade 2013). Recently, the view of the relationship of nation-states and companies in literature has changed, and the powerlessness of the state in relation to the market forces is increasingly evoked (Haslam, 2007). With today’s development, national borders are said to define less and less of the boundaries of corporate thinking and practice (Palmisano, 2006).
1.1 Pinpointing the Issue

The emergence of GVCs challenges the conventional wisdom on how we look at economic globalisation and in particular, the policies developed around it (OECD, 2013), and this is argued to both foster, and being fostered, by domestic policy reform (Baldwin, 2012).

The conflict between globalism and nationalism is emerging as one of the defining issues of our time (Mabry, 1999). In the age of globalisation, where firms have different locations for their legal home, their financial home, and have several homes for their managerial capacities (Desai, 2008), scholars raises concerns about what comprises the "domestic" that nations are seeking to promote and protect, and about what actually determines and influences the national identity of firms (e.g. Desai 2009; Mabry, 1999). Where many challenges today are global (Ki-moon, 2012; Utrikesdepartementet 2013), many of the corresponding policy areas are still viewed as domestic issues (Baldwin, 2011). In this study, we are interested in exploring how policy makers on the national level relate to business and companies. This paper takes its stance in the argument that the world and international trade are changing, and with this, the relationship between business and nations as well. Therefore, we establish that the aim of this paper is to find a new way of how we can understand the relationship between business and nation-states.

The theoretical framework of this paper was constructed by breaking down the concept of national identity of companies. We found four different aspects that we argue can connect business to different nations and in the empirical study, our ambition is to test this framework. By conducting content analysis on published and publicly available national trade policies from four countries, we aim to answer the research question of:

Is it possible to understand the national identity of companies through different aspects of business, and if so, how is this reflected in the national trade policies of four countries?

The change that has occurred in the world economy that has given rise to the increased volume of trade, has also paved the way for a prevailing globalisation and an accelerating competitiveness between countries (Arslan & Tathdil, 2012).
Competitiveness has been defined as:

“[...] the ability of a country to produce goods and services that meet the test of the international markets and simultaneously to maintain and expand the real income and also rise the welfare level of its citizens” (Arslan & Tathdil, 2012:32).

“[...] the ability of a country, or more precisely of indigenous firms of a country, to use location-bound resources in a way which enable it (them) to be competitive in international markets.” (Xaming Liu & Haiyan Song, 1997:74).

Essentially, countries’ competitiveness is dependent on companies and their abilities. Hence, how countries relate to and value business becomes relevant, and this is what we aim to shed light on with this research.

Our issue is a part of the bigger area of research concerning the effects of globalisation and we have found no studies that have taken this angle to study the relationship between nations and companies before, nor have we found studies discussing the concept of national identity of companies in the same sense as we are. The need for research has obvious practical implications as policy makers are in the middle of dealing with a new economic and social landscape. We believe our study can raise the awareness of why this issue is important and how it can be strategically thought of, both for practitioners in policy making and in business. In addition, researchers also need to find ways to incorporate these changes into their research, in order to be able to provide guidance to practitioners.

1.2 Outline

The next part of the paper is devoted to the theoretical framework. We explain the background of our research issue, and then we lay out the actual framework. Part three holds our methodological discussion, which aims to give an understanding of the choices we have made throughout the research process and to explain what these have meant to our study. Part four shows our empirical findings and is followed by part five that consists of the analysis of these. In the final part of this paper we keep a discussion about what our study have contributed with and what future research could focus on.
2. Theoretical Framework

In the initial work with this study, we took inspiration from Saskia Sassen who does research on globalisation and its consequences, and according to her, the concepts of citizenship and nationality both refer to the national state (Sassen, 2003:80). Sassen (2003; 2009), along with other current scholars in sociology and political science, has recently focused on explaining how globalisation has altered the traditional meaning of citizenship and nationality of individuals. They argue that these concepts partly are shaped by the conditions within which they are embedded (Bosniak, 2000; Rubenstein, 2003; Sassen, 2009), and because globalisation has altered the ideas of ‘state’ and ‘nation’, which are their fundamental context, the definitions of these are stated to no longer being able to explain the actual practice of their meaning. Therefore, it is time to give the concept another thought (Sassen, 2009).

Even if corporations are considered as individuals in most countries’ legal systems, where they have many of the same rights and burdens, and their existence is governed by the same rules, norms, and values as the citizens of any given country, corporations fundamentally differ from individual citizens (Levin, 2012). As shown by the initial example of Jil Sander, nationality of companies is a multidimensional phenomenon, which may include citizenship, history, culture and experience, and can apply to different aspects of a organisation (Yip, Johansson & Roos, 1997). Therefore, the concept of nationality for companies is usually used in a broader sense than the one for an individual’s nationality (Lyons, 2006:524). Hence, with this study, we would like to bring in a business perspective on the issue.

The purpose of the theoretical framework is to put forward possible new dimensions for how we can understand the national identity of companies and the relationship of business and nations. In the following part, 2.1, we outline the foundation and argumentation for our framework, which is presented in part 2.2.
2.1 Background

Early on, corporations could, according to Palmisano (2006), be described as creatures of the state, as governments sanctioned and chartered them to perform specific duties on behalf of the nation and its rulers. Moving into the nineteenth century, the United Kingdom and the United States among others, granted company owners’ limited liability and by that, corporations gained a more liberated status as independent ‘legal persons’.

Later in the mid-nineteenth century, organisations that could be recognised as international corporations started to emerge. The common structure of those was home-country manufacture and international distribution, where companies in some industries used controlled trade routes to import raw materials and export finished products (Palmisano, 2006).

With the World War I starting in 1914 and the subsequent collapse of economies in Europe and the US, international corporations found their trade networks blocked. Protectionism also proliferated in the 1920s and the 1930s, which led to the rise of tariffs, exchange controls and other barriers to trade (Palmisano, 2006). Jones (2006a) state that the developments during this period started to concentrate peoples’ minds on nationality, and that it was unwise and sometime fatal to be ambiguous about the national identity of companies.

However, with a change to their way of organising, businesses that we today recognize as multinational corporations (MNCs), could adapt to trade barriers by building local productions. Two examples are General Motors and Ford, who have roots in the US, built auto plants in Europe and Asia, which allowed them to sell to important local markets outside of their home country, without incurring tariff penalties. Some tasks, however, were performed on a global basis, such as R&D and product design (Palmisano, 2006).

During the last thirty, forty years, Palmisano (2006) argue that new challenges have arrived, with an abating economic nationalism and the revolution of IT. Also, governments are said to have lost power over market forces, and export and import competition are highlighted as critical elements (Lindauer & Pritchett, 2002). This development has resulted in an increasing liberalisation of trade and investment flows and standardized technologies and business operations all over the world, interlinking and facilitating work both within and among companies. Through this, the autonomy of
subsidiaries has been scaled back, as companies have begun to seek efficiencies by integrating geographically dispersed businesses (Palmisano, 2006).

Today, scholars from different fields agree on the complexity of determining a firms’ nationality (Levin, 2012; Desai, 2008; Jones, 2006b; Lyons, 2006; Yip et al., 1997). New globally integrated companies have sought to locate different functions to wherever their strategy is best fulfilled (Jones, 2006a), and this has resulted in a shift of competition from a firm/sector level to the task level. So, instead of firms competing with each other, the global competition happens between the efficiencies of different tasks (Baldwin, 2006). The question asked is no longer what product companies choose to make, but how they choose to make them (Palmisano, 2006). Connected to this, Jones (2006b) claims that it is not so much the nationality of firms that is confusing; it is instead the nationality of individual products and brands’ that are confusing as products today can be ‘packages’ of many nations, and in addition, Segreto, Bonin and Kozminski (2012) argue that globalisation and the increasing dimensions of distributions structures has led to wide proliferation of products of the same types and by that to increased competition on different levels, which has given rise to the importance of brand building.

To conclude, there are different aspects through which business can be tied to nations and through which we can see the national identity of companies and in our theoretical framework that follows, we lift these four aspects and elaborate on them further. First, we discuss how a company on the organisational level may be tied to a nation, which can be understood as the traditional way of seeing their relationship. We thereafter lift the three other aspects that we have brought up, including how business can be tied to countries through the geographical allocation of tasks; through goods and services; and finally how they can be tied through the aspect of branding.
2.2 The Framework
We present the aspects in the following order; 1) the organisational aspect; 2) the task aspect; 3) the product aspect; and 4) the brand aspect.

2.2.1 The Organisational Aspect
How policy makers tie companies to their countries and on what foundations businesses may or may not be included into a certain nationality, is far from evident. The determination of a company’s national identity and the ambiguity about it is said to lie in that there are several parameters that could be applied to manifest this (Holmstedt, 2014). These parameters could for example be the country where firms were first established; the legal domicile of the parent company; the legal domicile of the affiliated company; headquarters’ national location; owners’ country of origin; the founder’s country of origin etc.

Already back in 1921, Norris highlighted this issue, and brought forward three alternative ways on how to determine companies’ national identity according to international law. This issue appears to still remain unsettled, as the same alternatives for the determination of companies’ national identity brought forward by Norris in 1921 are also mentioned by scholars today (Lyons, 2006; Norris, 1921; Jones, 2006b; Jones, 2006a), and these are; the place of incorporation (or theory of incorporation); the place of central administration and headquarters (HQ) (or siège social/the company’s seat/the real seat doctrine); and the nationality of main shareholders and managers (or ‘piercing the corporate veil’). Jones (2006b:152) however, pointed out that there are other tests as well, for example the examination of in which country a firm does most business.

Nevertheless, according to Desai (2008:1273), these foundations are inadequate to capture the current situation, as companies’ different functions are no longer unified or bound to one country. Desai (2008:1276) states that firms used to locate their financial, legal and managerial functions in one country, which usually was where they first originated. But currently, these homes are being separated and the home for managerial talent can be served by many locations, as different departments or parts of departments can reside in different nations simultaneously (e.g. the design function operates in New York and manufacturing in China) (Desai, 2008). Yet, the different legal foundations are still present in today (Lyons, 2006).
In many legal systems derived from Anglo-American common law, the state of incorporation is said to constitute the main test for company nationality (Lyons, 2006; Jones, 2006a). The theory of incorporation holds that a corporation owes its very existence to some national system, which means that they are citizens only of the state whose laws created it (Mabry, 1999). In relation to this, Desai (2008), claims that where a company is incorporated is the company’s legal home, which has two functions; taxation, and the rights for a firm’s investors and workers.

Moreover, Desai (2008) refers to the country that a firm lists their shares in the stock market as the financial home, where all financial activities are administered and organised. The financial home is also said to determine what rules that govern the relationship between a company and its investors. A weakly regulated market can result in high financial costs, and poor legal systems can result in corruption, or more lawyer expenses that increases a firm’s financial expenses. Second, the financial home may determine the incentive compensation arrangements used to reward talent. A less developed financial security system may result in not so attractive compensation options, which can make the company less attractive when recruiting in the global market for top talents. Thirdly, costs of capital raising and capital allocation can vary due to different countries’ regulations. Fourthly, where a company is listed is said to determine a good part of the owners. Even though the shareholder basis is becoming increasingly global, a company listed in New York could still expect a relatively big part of its shareholders to be American. A potential issue could be that shareholders in different countries may have different expectations, which in turn could affect the priorities for the company. Lastly, by reallocating a firm’s financial headquarter the value of it may change according to local equity research analysts and institutional investors (Desai, 2008).

It is claimed that in most civil law systems in Continental Europe and other countries influenced by those, nationality is determined by the company’s location of its central administration (Jones, 2006b; Lyons, 2006; Jones, 2006a). Hirsch (2011) claims that the managerial home(s) is important because the process of making major strategic decisions still depend on effective face to face communications and team work that require decision makers to be at the same location. However, as Desai (2008:1273) argued, firms’ different functions are no longer unified or bound to one country but in
relation to this, Baldwin (2006) claims that geographical distance matters significantly as the production network still requires face to face interactions, which can be used to explain the reason that global factories like China and Mexico are geographically close to high technology nations like Japan and America (Baldwin, 2012). As high-level management is in charge of the design of the company’s strategy and thus have influence on development of a company and its culture (Desai, 2008), it makes the location of managerial level essential (Hirsch, 2011). Therefore, changing the managerial home country could be a useful strategy when changing the company’s culture (Desai, 2008).

Moreover, the nationality of main shareholders and managers who control the operations may also be used to determine the national identity of companies (Jones, 2006a). By examining disputes brought up in the International Centre for Settlement of Invest Disputes (ICSID), Lyons (2006) argues that the test of nationality of the main shareholders and managers makes sense in many situations for international tribunals, as their goal is to settle foreign disputes and also to facilitate foreign investment. However, Levin (2012) states that due to the fact that the only legally bound responsibility of the corporation is to make profit for its shareholders, not to the nation, the society or for the purpose of democracy, this legal test allows corporations to manoeuvre internationally to circumvent national legislative regulatory efforts easily, as all they need to do is to hire managers with the right nationalities. This is what Levin (2012) refers to the ‘illusion of law hypothesis’, which indicates the false expectations of what groups the law will actually protect in relation to a corporation.

Yip et al. (1997), state that traditionally, company managers were assumed to have the same collective cultural mentality as the country in which they resided. But this no longer seems to be an accurate assumption, as businesses in different ways spread out globally (Desai, 2008). Furthermore Holcomb (2003:22) argues that the major divisions in the world today are not shaped by national boundaries, but rather by history, language, culture and religion. Culture encompasses patterned ways of thinking and shared meaning systems. Therefore, it may affect the way companies act, as culture also provides an interpretive framework in which we make sense of our own behaviour as well as the behaviour of others, and this is done in relation to the larger culture in which both individuals and organisations are embedded (Scott & Lane, 2000). Nations may
regulate and promote certain corporate behaviour through laws, for example through anti-bribery law, but those laws tell us little about the accountability of corporations (Holcomb, 2003:31).

2.2.2 The Task Aspect

As we have seen, MNCs today are argued to have the power and freedom to choose from different geographical locations to fulfil their needs and requirements. We earlier mentioned how the competition therefore has changed from a firm/sector level to the level of tasks (Baldwin, 2006).

For centuries, trade mostly entailed an exchange of goods. Today however, it increasingly involves bits of value being added in many different locations. What is going on is stated to be trade in tasks (Grossman & Rossi-Hansberg, 2008). Tasks are defined as all the different types of jobs that make up: “[...] the full list of everything that must be done to get the product into consumers’ hands and provide them with associated after-sales services” (Baldwin 2012:11). So, tasks are different types of job that could exist in a wide range of sectors, and countries provide the labour needed to perform these and to illustrate the idea, Baldwin (2006) gives an example of a home PC delivery company, which can be seen as a ‘package of tasks’, as both programmers and truck drivers are ‘tasks’ inside the company. However, even if the programmer is considered to be a higher skilled task, it is easier to offshore to a labour intensive country, because to coordinate programmers in India is cheaper due to the technological development that radically decreases the cost of communication, and makes communication between different geographic locations much cheaper (consider Skype). A programmer cost much less in India than in England, and therefore it is economically efficient for a company to offshore the programming job to India rather than hiring local British programmers. But, truck driving is in this case the task that is not influenced by the general decease of coordination cost. Companies cannot offshore it to an Indian truck driver and enjoy the labour cost difference, because they need the truck driver in England. This is why Baldwin (2006) claims that GVCs make it unpredictable to say what tasks/jobs will be more competitive or valuable for countries. Basically, the traditional view associated competitiveness with high-tech, human-capital intensive tasks, while less competitive tasks were characterised as unskilled-labour-intensive. From this view, countries may still hold the more traditional perspective and therefore promote higher education as a
way of upgrading the workforce in order to upgrade in GVCs. However, the traditional view is argued to not be accurate. Looking at the example of the truck driver and the programmer, it is more accurate to consider competitiveness of the individual type of tasks (Baldwin, 2006).

Grossman and Rossi-Hansberg (2008) claim that task trade among other things can influence prices and welfare, and they even purpose that task trade relegate goods trade to a supporting role in this development. As Berman (2011) explains, there has been an emphasis on upgrading in GVCs as an economic development strategy for countries to develop and improve skills in the workforce, and keeping higher value-added activities inside the country, but investments in both product and process upgrading are often costly. A hot topic regarding the impact of GVCs is the influence on domestic employment rate. A sector leading firm is stated to be capable of driving value chains and these firms often reduce direct ownership over activities and offshore to supplier firms, which could result in a decrease in quantity of employment. However, the national institutional context is also stated to have an effect on companies’ location choices, and has to do with the availability of certain types of skills and the comparative advantages that are offered for the given task (Lakhani, Kuruvilla & Avgar, 2013).

Khara and Lund-Thomsen (2012) builds on this and state that the choice of location for certain tasks or stages depends on what is the most economically efficient way of producing goods (Khara & Lund-Thomsen, 2012). According to Baldwin, (2006; 2011; 2012), however, companies can not just go to wherever the cost is the lowest for transactions, communication and coordination, as there are separation costs that need to be taken into consideration, for example transmission and transportation costs (Baldwin, 2006).

Furthermore, companies’ decisions on relocating tasks often depend on the wage gaps between skilled and unskilled labour. On the other hand, “[...] the spatial concentration of economic activity creates forces that encourage further spatial concentration” (Baldwin, 2012:14). Therefore, in order to benefit from relocation but still enjoy the economic activity concentration, the supply chains can take place on a more regional level, rather than on a global level, which means countries benefit from being situated in an attractive region. Moreover, reallocations are stated to not spread out evenly, because activities are started as concentrated in one location in order to benefit from
economic agglomeration, and then they move to another location when the first location’s wages have been driven up due to the cluster effect, and then to the next location etc. (Baldwin, 2012).

However, Jones (2006b) talks about the anxiety concerning the outsourcing of knowledge related tasks. Despite trends of fragmentation, globalisation of key functions such as R&D remain limited and are still often kept within markets that companies’ perceive as safe, which usually are the markets they see as their ‘home market’.

2.2.3 The Product Aspect

“Right now, there is something our citizens can do for their country: bet on Spain, bet on our products, our industry and our services – bet, in short, on ourselves.” (Milne, 2009).

With this statement made in 2009, the Spanish minister of industry, trade and tourism, urged the Spaniards to buy more Spanish products in order to help their economy (Milne, 2009). This statement is however problematic, both for business and for national policy makers.

Compared to trade of the 20th century, where goods were made in one nation and sold to another, trade of the 21st century is characterised by continuous, two way flows of things, which make goods today ‘packages’ of many nations. This leads to that labels saying “Made in...” tend to be misleading (Jones, 2006b). Levin (2012) illustrates the idea through the case involving American automobile industry as cars that are labelled as “Made in America”, could actually consist of parts made in Canada and Mexico. Like we stated in the introduction of this paper, exported goods from one country can consist of significant intermediate inputs that are imported by domestic manufacturers from other countries, which means that much of the revenue (or value-added) from the exported good may accumulate to foreign intermediate goods productions, leaving only marginal benefits in the exporting economy (WTO 2012). However, there are rules in order to clarify the origin of products, which are referred to as the Rules of Origin (RoO) (Krishna, 2005), and these are there to decide the ‘nationality’ of individual products (Falvey & Reed, 2002).

Free Trade Agreements (FTAs) can cover entire regions with multiple participants or link just two economies, and within these, nations enter into legally binding
commitments to liberalise access to each other’s markets for goods and services, and investment (International Trade Administration, 2014). In trade agreements, RoO helps distinguish between intra-regional trade and external trade. In RoO, manufacturers of final goods must include an established minimum fraction of inputs produced within the region (Takauchi, 2011). RoO limits the use of inputs produced outside the region, protect relatively less efficient countries within the region, and create cost differences between RoO-compliant and non-complaint firms (Takauchi, 2011). Also worth noticing is that besides RoO, FTAs also typically address a range of other issues such as intellectual property (IP) rights, government procurement and competition policy (International Trade Administration, 2014), affecting the business environment.

Governments apply rules for determining the origin of products for two broad reasons; first, to distinguish foreign from domestic products, when imports are not to be granted national treatment; second, to define the foreign origin of a product and, in particular the conditions under which it will be considered as originating in a preference-receiving country. Moreover, RoOs also play a role in the application of laws relating to marking, labelling, and advertising; duty drawback provisions; government procurement; countervailing duty and safeguard proceedings; and quantitative restrictions, including import prohibitions and trade embargo (Falvey & Reed, 2002:393).

There are, however, currently no multilateral rules on administering RoO (Inama, 2009). Therefore, different trade agreements can have different definitions of RoOs, and well-organised industries are argued to have enormous scope to essentially insulate themselves from the effects of the FTAs by devising the suitable RoO (Krishna, 2005). As nations are trying to handle this new economic context, there has been a rapid increase of trade agreements between regions and countries, which has been referred to as ‘the growing spaghetti bowl’, to illustrate the complexity of the situation (Estevadeordal & Suominen, 2009). The flourishing of FTAs and the lack of multilateral discipline concerning RoO may put firms in a dilemma when the more efficient supply sources are countries outside agreements (Inama, 2009).

What also complicates this is when services, which are also outcomes of companies, are taken into consideration. Services only began to receive attention in trade agreements in 2007, and the notions of intermediate inputs and domestic value added for services are
not as well developed as they are in the context of products and this may complicate and hamper benefits for both companies and consumers (Fink & Nikomborirak, 2007).

The concept of ‘servification’ is closely interlinked with GVCs, and is stated to refer to how, for example, manufacturing firms increasingly buy, sell, produce and export services as integrated or accompanying parts of their primary offer. Services in GVCs include a variety of areas, such as communication, insurance, finance, computer and information services and other types of business services. Therefore, the competitiveness of GVCs in goods has been stated to depend upon efficient service inputs (Cattaneo, Gereffi, Miroudot & Taglioni, 2013). In trade agreements, rather than defining the RoO for services, it is instead about determining the origin of a service supplier (Fink & Nikomborirak, 2007). This means that service's origins depend on the national identity of the company.

2.2.4 The Brand Aspect

“Products are made in the factory, but brands are created in the mind”. (Walter Landor, founder of Landor Associates, in Martin, 2007:95).

A basic definition of brand is something that elicits a broad range of feelings and associations that give the name meaning, salience and relevance (Martin, 2007:101). In the last twenty to thirty years, increasing competitions, the proliferation of products of the same types and the increasing dimensions of distributions structures, has given rise to the importance of brand building. Brands are not only limited to products or companies, even the Catholic Church is a brand, and so is Tom Cruise, and different cities and countries (Segreto et al., 2012).

Different types of brands, such as national brands, and brands of products and firms, often merge in the mind of the global consumer. For example, Mercedes is associated with German precision and Hermes with French luxury fashion style (Martin, 2007:103). In the automotive industry, brands like Chevrolet and Ford chose to associate their brands with American symbols through the use of American flags in commercials, in order to evoke the Americaness in consumers (Levin, 2012). Such commercials are implicitly sending the message that by buying the car, consumers are contributing to the
Americans economy, which is not entirely true. Instead, it is more likely to increase employment rate in South East Asia than in America (Levin, 2012).

In the marketing field, the traditional view of brand's national identity is explained by the term ‘Country of Origin’ (CoO). CoO is a multidimensional construction that is claimed to evoke cognitive responses, which provides informational cues to individuals regarding the quality, dependability and value of the product, as well as triggering the sense of national identity (Ahmed, Johnson, Chew, Tan, Ang Kah Hui, 2002). If the CoO reflects a poor image, it could for example result in a longer evaluation time for consumers before a purchase decision (Alden, 1993).

Scholars since the 1970s have been trying to explain how CoO influence product evaluation, and some argue that CoO indirectly influence the overall evaluation of a product by activating concepts or perceptions of the country of origin and the general opinion about the products that are from there (Hong & Wyer, 1989). Others argue that CoO influences product perception directly by evoking the stereotype associated with the producer's country (Lillis & Narayana, 1974). During the World War II, the ‘Made in the U.S.A.’-label was a symbol for quality. But, associations like this are not everlasting, as there may be incidents undermining them (Martin, 2007:104).

However, CoO put main focus on where the product is ‘Made in’ while the ‘Made in’ label is only one of the many factors that influence perception of brand origins, which are used to formulate the general perceptions, attitudes, expectations and intentions concerning the brand. Scholars like Thakor and Lavack (2003) argue that a big part of perceptions of brand origin are carefully contrived by marketers in the purpose to heighten their brand's image. As Martineau (1958:122-123) also argued: “Where the consumer buys and what he or she buys will differ not only by economics but in symbolic value”. In line with this, Jones (2006b) makes a distinction between nationality of product, brand and company, and claims that a brand's nationality, or the country the brand is associated with, could purely be based on a marketing strategy.
2.4 Summary

Our theoretical framework has emphasized four aspects that can be seen as aspects through which businesses can be tied to countries in different ways. We have elaborated on these and discussed possible implications.

Within the frames of the organisational aspect we saw how company nationality can depend on what parameters that are used, as there appears to be no definite way in which this can be done. This can affect the possibilities that nations have to control and benefit from business, concerning for example taxation and regulation. Moreover, even if the legal tests still appear to be present, these are stated to be complicated by the fact that different functions can be spread out and exist in many geographical locations simultaneously (Desai, 2008). In relation to this, the cultural aspect is argued to also affect company behaviour and practices, which may contribute to the current division of the world. This also has implications for how different stakeholders are affected.

For the aspect of tasks, we brought forward how the choices of businesses when it comes to geographical locations for different tasks, can depend upon various things, such as the availability of skills and resources. The traditional view on how nations should prioritise to stay competitive is associated with a focus on high-tech, human capital-intensive sectors. With the development of GVCs, however, this is argued to be inaccurate today. Instead, Baldwin (2006) argues that it is wiser to consider the competitiveness of different types of tasks. The geographical aspect can matter, as there are separation costs to take into consideration and in this sense, for a country, it may be beneficial to be a part of a certain region. In addition, we saw that the choices businesses make concerning geographical locations and relocations of different tasks, can affect the employment in countries.

When discussing how goods and services may be tied to nations we saw that it is not evident what products can actually be called, say, purely American. As we argued earlier, the trade patterns of today often make products ‘packages’ of many nations with input coming from imports. Trade agreements can affect how individual countries treat products and services, which means that they can be classified as domestic, with the use of RoO, or being granted preferential treatment, if they are products coming from within the region of the agreement, or being treated as foreign products, from outside the agreement. When it comes to services, this gets more complicated, as the origin of these
and the rules surrounding them are not as developed as they are for goods. Often, the determination of this relies upon the nationality of the service-provider.

When discussing how business and nations can connect through branding we saw that countries, products, labels, companies, and other factors and actors all may be carrier of brands, and these may merge in the minds of different stakeholders. This means that a nation’s brand could both be affecting and be affected by other brands within business. Nations and companies can work actively to affect what feelings and associations that they wish to evoke, but this may also happen on a more unconscious level.

These four aspects are evidently interconnected and they all co-exist, which we have shown can be the case of many businesses today. But, we also argue that these aspects offer different ways through which national policy makers can relate to business. As the theoretical framework has now been laid down and clarified, we aim to test it through our empirical study. Through content analysis, we examine if it is possible to understand the national identity of companies through these four different aspects of business, and if so, how this is reflected in the national trade policies of four countries. A further elaboration concerning the operationalization of this framework can be found in the next part of the paper.
3. Method
In the previous part of the paper, we put forward our theoretical framework through which we deconstructed the national identity of firms, and we argue that this in itself stands as a theoretical contribution to research. The different aspects put forward could obviously be elaborated on more extensively, but due to certain limits of time and space, we have done our best in trying to capture the essential parts. We claim that this study is explorative in its nature, as we are seeking new insights and to shed new light on the relationship of nations and business and our ambition in the empirical study that follows, is to test our framework to see if and how national policy makers relate to the four aspects.

3.1 The Empirical Selection
We use secondary sources as our empirical material, which in this case are published and publicly available national trade policies from four countries. According to the UK government, a policy is a statement of what the government is trying to achieve and why, and it explains and specifies where the government stands on broad political issues (The UK Government, 2014). Policies generally consist of a set of actions, plans, laws and behaviours adopted by a government (Britannica 2013), and describe a certain line of action (Nationalencyclopedia 2014). Kreis and Christensen (2013), argue that policies are representative of the social and political choices in a society as they are “[...] the discretionary instruments of regulation that operate within the confines of law.” (Kreis & Christensen, 2013:40). On the basis of this, we claim that within policy making, there may be more variances, nuances and room for new ideas, development and changes, than in, for example, law. Therefore, we argue that public policies represent national governments’ views and hence suit the purpose of this study.

An aspect to consider, however, is to whom these policies are aimed for. For example, it is possible that national policy makers want businesses who identify themselves to be of a certain nationality, to feel included and prioritized, to not risk losing their trust, goodwill and cooperation. Hence, it makes sense for policy makers to speak about ‘Norwegian companies’ and ‘German enterprises’. Therefore, it is possible that what is put forward in policies are a part of certain rhetoric. We do not argue that we can say anything about what countries actually do and act upon, but as we see the issue of our study as bound to policy makers’ views and to the time and context in which they are
embedded, we believe that our study of public policies can reveal important features of the current discourse.

Regarding the policy area that we are focusing on, we argue that trade lies at the core of the development of increased cross-border flows, fragmentation and interconnectedness, that we have described. Hence, we find it to be the most prominent and relevant area to conduct research within.

To gain access to relevant material we kept contact with people within the WTO and the OECD, who are working with policy analysis. We also searched governments’ websites to find published material that fit our research purpose. The area of trade is quite wide in its scope, and it was not evident that all countries had published policies available and due to this, and to language and time restrictions, we could only include a limited amount of countries into our study. Our sample mainly represents countries that according to the UN are classified as developed, high-income economies (World Economic Situation and Prospects 2014; The World Bank 2013). In addition, they are members in the OECD and the WTO (The World Bank 2013; WTO 2014).

In recent years, international organisations (IO’s) have become increasingly pervasive features of the global landscape (Mansfield & Pevehouse, 2006:137) as they influence state policies and promote multilateral cooperation in a number of ways (Fang & Stone, 2012:540). De Senarclens (2001) argues that IO’s, are exercising a high measure of influence on inter-state relations and world trade, and that countries are argued to join them because they gain from harmonizing policies (Schneider, 2011:333). The platform offered by different IO’s to individual countries is said to contribute to the establishment of institutional links, which bring high degrees of convergence to their policy-making (De Senarclens, 2001). On the foundation on this, we argue that the countries included in this study are a representative sample of countries sharing the same features, which means that our results can be argued to be generalizable to those.

Among the population, we found four countries with publicly available trade policies in English. All the policies were retrieved from the respective countries’ government’s website and by choosing the most recently published policy from all countries, we can assume that all policies in our sample are the ones that are accurate today. Our sample consist of policies from Canada, Sweden, the UK and the US;

- The Swedish policy, “The Government’s Declaration on Trade”, referred to as “Sweden 2010”, was released in 2010 by the Ministry for Foreign Affairs, the Swedish Government.

- The British policy, “Trade and Investment for Growth”, referred to as “UK 2011”, was released in 2011 by the Department for Business Innovation & Skills, and the Department for International Development, the UK Government.

- The American policy, “2014 Trade Policy Agenda”, referred to as “US 2014”, was released by the Office of the United States Trade Representative, the Executive Office of the President, in 2014.

We note that our main ambition with the study is to test our framework. We believe our sample is representative of a larger group of countries, and therefore we are not focusing on comparing them. Instead, we believe that our study can contribute to a better understanding of our issue, than what would have been the case if our sample had consisted of only one or two countries.

Regardless of the similarities in the sample there are differences that we are aware of, for example in regards of size, culture, traditions, economic structure and political systems, in different countries. This can affect the formulation of policies. Also, three of the countries are Anglo-Saxon countries, which makes Sweden stand out and in addition, Sweden and the UK are EU members (The World Bank 2013), which means that they are partly included in the common trade policy of the EU (National archives, 2014; Government, 2014). What we argue, however, is that these differences will not necessarily interfere with our aim, which is to find a new way of understanding the relationship between business and nations.


3.2 Conducting the Research

We are using qualitative content analysis when conducting this study. Because we are interested in the ideas and views lying beneath the surface of the content, this method suits our purpose, which is to capture what is behind the details in the text and that what we are after is not necessarily evident (Esaiasson, Giljam, Wångnerud & Oscarsson, 2007:237).

Our ambition is to bring attention to and aspect of the society that are often taken for granted (Esaiasson et al., 2007), which is the national identity of companies. Our own views and understandings matter (Esaiasson et al., 2007:251) and therefore, we read up on our issue and discussed as much as we could in advance, in order for us to have a starting point as similar as possible.

The stance for our study is that reality is socially constructed, and language plays a central role in this construction (Esaiasson et al., 2007:239). As language lies at the core, we have read our material several times and with the focus on different aspects such as the text as a whole and on certain details. We have read everything individually and engaged in discussions (Bergström & Boréus, 2012:411). However, in order to make this study valid and reliable and to be able to draw conclusions from the empirical study, it is important to be clear on the principles we have used to do this (Esaiasson et al., 2007:245).

When working with the empirical material, our starting point was our theoretical framework. The operationalization of the framework started from the four aspects brought forward in it. Saunders et al. (2009:492), state that categories must be: “[…] meaningful in relation to the data.” and: “[…] meaningful in relation to other categories.”, and we argue that the framework provided a clear foundation to work with.

From the four aspects, we took out key factors from each of these, and from them, we formulated questions to ‘ask’ the policies. Examples of questions that we asked were: does (COUNTRY) seem to define the national identity of companies depending on where the company first originated, owners/shareholders, managers, place of incorporation, the location of headquarters or any another factor? How does this show?; does (COUNTRY) talk about how they will attract certain tasks? If so, how?; does (COUNTRY) talk about (COUNTRY)-products (e.g. ‘Swedish products’)? If so, how?; why, according to (COUNTRY), does the national brand matter, and to whom?. The purpose of these
questions was to in a first step, bring out the data that was relevant to our study from the empirical material. All these questions and how we divided them are visible in the appendix.

After having put together these questions, each of us went through each policy and took out relevant parts and sections that related to one or more of the ‘questions’. This was done country by country. We then read through the results together and discussed our findings. After this, we then had the first aspects and questions stemming from theory, and also relevant parts from the empirical material.

After the initial phase, we found some new words and expressions that were used in the policies that reflected aspects in the theoretical framework, but were not used there. This helped us to go forward as we then could go through all policies again, to make sure that we collected all the relevant material.

For example, we found that the Swedish policy did not discuss brand, but used the term ‘image’, while the US policy talked about ‘promoting values’. These findings meant that we could go back to the policies to see if the other policies also used these terms, in case we had missed it and if we could find new sections and quotes where these were used. We found for example that the UK, like the US, also emphasized the promotion of their values. Other examples of words we found were for the organisational aspect for example; firm, company, corporation, business, home, ownership, and for the task aspect; value chain, production chain, job, task, made in, and for the product aspect; goods, services, export, import, trade agreement, and for the brand aspect; reputation, image, values. We sorted the material into the framework presented in appendix, together with the material we had from the initial readings.

Only picking out quotes that directly appeared to correspond to our framework would not have resulted in a reliable result and therefore, we claim that the entire amount of data collected throughout these steps, helped us understand the discourse of the policies more generally. We believe this is important, as it would affect the validity of the study to take findings out of their context. We notice that due to the explorative nature of the study and the purpose of the empirical research, which is to test our framework, we argue that for example the frequency of certain expressions or words is not relevant and would not help our aim forward.
After having collected the material, we went through it for each aspect and each country, and put together more flowing texts by selecting the essential material and quotes that could help us answer the research question. During this work, we went back and forth between theory and the empirical material to double-check the findings. Hence, what is presented in the empirical part of this paper is what we argue to be the essence of our findings.

As our study is of a qualitative nature, we believe it is important to be as clear as possible. Our findings are therefore presented under the main headings of the four aspects from the theoretical framework, and this is done country by country. Like we have emphasized, our purpose is not to compare, but to use the four policies as examples to show how policy makers on a national level relate to business.

In the fifth part called analysis, we have gathered our findings from the empirical study and in this part, data from all the policies are summarized and analysed according to the four aspects of our theoretical framework, with the purpose to show if it is possible to understand the national identity of companies through different aspects of business, and if and how this is reflected in the national trade policies. The analysis helps us answer the research question, and it ends with a summary concluding our results.

Finally, we keep a discussion relating back to our problematization and our aim and we elaborate further on what our study contributes with in a wider sense theoretically and practically.
4. Empirical Evidence
This part of the paper presents the empirical findings in the same structure as our theoretical foundation; 1) the organisational aspect; 2) the task aspect; 3) the product aspect; and 4) the brand aspect.

4.1 The Organisational Aspect
In this section we outline our findings that connect to the organisational aspect of theory. More specifically, we have examined what the policies put forward concerning the role of business and companies in relation to the nation, and if and how they relate to companies in terms of for example their ownership, different types of homes and headquarters, and certain behaviours.

4.1.1 Canada
The Canadian policy talks about ‘Canadian’ companies throughout the paper but does not explicitly indicate what parameters that are used to define companies as ‘Canadian’. However, a general picture can be formed based on how the policy describes the Canadian companies:

“Canadian firms, and SMEs in particular, face an uphill struggle expanding into emerging markets, where the business culture, regulatory environment and language can be particularly challenging, even with a trade agreement.” (Canada 2013:11).

A line is drawn between home and abroad:

“We fully understand that, when Canadian companies succeed abroad, all Canadians benefit from the jobs and opportunities that are created at home.” (Canada 2013:4).

“The Government of Canada understands that jobs and opportunities for Canadians are generated by the business we do with other countries. That’s why opening new markets for our exporters and attracting prosperity-generating investment are key elements [...]” (Canada 2013:16).
Also, the policy highlights the geographical importance and states that:

“The economic analysis carried out to identify the priority markets of the Global Markets Action Plan included advice and input from businesses across Canada.” (Canada 2013:6).

This suggests that companies that have business activities inside the borders of Canada are considered and included in the policy.

The policy also puts forward that, when it comes to entering new markets, priority is given to those:

“[…] where the corporate social responsibilities of Canadian companies gives them an advantage […]” (Canada 2013:8).

Finally, a difference is made between Canadian firms and multinational corporations:

“[…] Canadian companies still face the challenge of penetrating the lucrative global supply chains of multinational corporations.” (Canada 2013:9).

4.1.2 Sweden

The Swedish standpoint is that trade is a tool to increase jobs, global development and growth:

“We are doing this because openness to trade, investments and influences from the rest of the world is key to jobs, welfare and growth – but also because it supports important objectives such as poverty reduction, human rights, peace and stability.” (Sweden 2010:1).

When discussing the government’s support to companies, the focus is on small and medium enterprises (SMEs) that struggle with expanding foreign market and it is stated that:
“To enhance the opportunities for our enterprises to grow and operate on the global market, the Government intends – within the framework of its commitments – to develop a strategy for internationalisation focusing, in particular, on small and medium-sized enterprises.” (Sweden 2010:2).

Concerning companies’ behaviour, the document communicates its expectations on ‘Swedish enterprises’:

“Swedish enterprises are among the best in the world when it comes to CSR [...]” (Sweden 2010:11).

“The Government urges the business sector to apply the OECD Guidelines for Multinational Enterprises and to support the ten principles on respect for human rights, labour standards, environmental responsibility and anti-corruption in the UN Global Compact. At the same time, we make it clear that commitment to these important issues is, and should be, enterprise-owned and enterprise-driven.” (Sweden 2010:11).

The Swedish policy seem to make a differences between multinational and nations, stating that trade is about increasing beneficial exchanges:

“Not between multinational enterprises, not between nations, not between groups of countries – but between people.” (Sweden 2010:12).

The policy shows the aim to provide a more attractive environment and state that:

“The single most important export-promotion measure is having a good business climate.” (Sweden 2010:9).

“A well-functioning system of intellectual property rights, designed in harmony with a strong respect for citizens’ privacy, is a fundamental prerequisite for safeguarding the competitiveness of Sweden and the EU.” (Sweden 2010:5).
In relation to this the policy also lifts two questions that highlights the issues concerning the current business environment:

“Where should taxes and VAT be paid after a digital transaction? How can consumers find out about their rights?” (Sweden 2010:4).

4.1.3 The UK

The UK policy makes a clear statement regarding their role in relation to business:

“The Government should only intervene when markets fail to work properly and when the benefits of government actions exceed any costs.” (UK 2011:47).

The government’s ambition is to pursue a broad-based trade liberalisation to improve and create a domestic environment in which business are able to make the most of trade and investment opportunities (UK 2011:51), so that it continues to be one of the most attractive places to invest and do business in (UK 2011:13). Moreover:

“The ability to export expands the market into which competitive British businesses can sell their goods and services, enabling them to grow, create jobs and generate profits.” (UK 2011:18).

The UK policy discusses different ways in which companies may locate in the UK. First, the policy discusses the UK as a home for headquarters:

“The UK continues to be home to more European headquarters of overseas companies than all the other European economies combined. This matters because such headquarters are often the base for higher value-added work, such as design, research and development or raising finance. Inward investment makes a key contribution to innovation and R&D in the UK.” (UK 2011:20).

The perceived quality of the UK research in science is said to be the most important factor in attracting these projects (UK 2011:20, 49).
When discussing government support, it is stated that they will:

“Involve entrepreneurs and business leaders from the UK and the British diaspora overseas, along with friends of the UK around the world and those who have made their home in Britain, to support this effort.” (UK 2013:55).

Furthermore concerning SMEs, it is stated that:

“Evidence certainly suggests that smaller and innovative firms face disproportionate barriers to exporting. There is a vital role for the Government in encouraging firms to export, in addition to the Government’s market access work to reduce barriers to trade and the support services provided to firms to help them overcome obstacles and enter new markets.” (UK 2011:19).

The aspect of ownership is brought up:

“Japanese-owned companies employ more than 100,000 people in the UK, with Nissan, Toyota and Honda accounting for 50% of vehicle manufacturing.” (UK 2013:32).

When discussing the importance of multinationals it is argued that:

“The UK economy is closely bound into the global economy through global supply chains and multinational companies that seek to manage and deploy their resources on a global basis. To maintain the investment and job-creating growth that this country needs in the years to come, we need to maintain effective and efficient border systems that ensure the UK is open for business.” (UK 2011:52).

However, these multinational may also, according to the UK policy, be bound to certain nations:

“Many multinational US firms collaborate with UK universities: this is important to the long-term competitiveness of the UK’s science base and to firms’ international competitiveness.” (UK 2011:30).

The policy emphasises the cultural aspect and lifts India as an example of a country with which the UK share history, politics and culture, which makes them a natural partner for collaboration (UK 2011:35), and so is the US (UK 2011:30-31). The UK policy expresses that trading and investment relationships stem from shared history and culture, strong underlying relationships and political and economic stability. In contrast, there is Russia, that despite the fact that about 600 UK companies were operating there in 2009, is perceived to be a difficult business climate, with high levels of corruption and legal uncertainty (UK 2011:37).

4.1.4 The US

The aim of trade according to the US policy, is to sustain and grow the American middle class, to ensure that ‘hard-working’ Americans are able to fully benefit from trade (US 2014:1), to ensure that Americans can compete successfully (US 2014:9), and to strategically position ‘American’ businesses in the purpose to produce value-added goods that are made in America, as well as increasing jobs (e.g. U.S. 2014:6, 11, 15).

The US policy does not only use the terms of ‘firms’ and businesses’, but instead they often refer to these according to what they do by using the terms ‘American manufacturers’, ‘producers’ and ‘exporters’ (e.g. US 2014:6, 11, 15).

There are also other indications that the US government relate to companies more according to what they do and accomplish, rather than if they are ‘American’:

“A key US priority is to enable service suppliers to compete on the basis of quality and competence rather than nationality.” (US 2014:4).

“Many high-wage, high-skill American jobs depend on the ability of multinational firms to invest both in the United States and abroad.” (US 2014:7).
“The United States in 2014 will seek to advance trade-enhancing investment measures with key trading partners in order to continue attracting the best jobs and industries to US shores.” (US 2014:7).

The government discusses improving its overall business environment. For example:

“The Administration recognizes that vigilant monitoring and rigorous enforcement of US trade rights is absolutely essential to growing our economy and defending the livelihoods of hard-working Americans.” (US 2014:9).

“Intellectual property (IP) is a key source of American jobs, and serves the essential purpose of encouraging innovation and creativity. To sustain these vital economic benefits, the United States in 2014 will continue to seek greater market access for IP-intensive US products, and to promote job-supporting innovation and creativity with balanced policies informed by diverse views that benefit both producers and users of innovative products and services.” (US 2014:5).

There are indications that the US government highly values what is American and the American culture:

“[…] we advance all of these objectives with broad input from a wide range of stakeholders to craft US trade policy in a transparent way, so that it reflects the values and aspirations of the American people and our global leadership role.” (US 2014:1).
4.2 The Task Aspect

In this section we outline our findings concerning what the policies say about certain tasks in relation to their own nation. More specifically, we examine whether GVCs and upgrading and downgrading in these are talked about and whether the different policies express an aim to attract certain tasks or jobs and some not. From what we understand form theory, the task aspect is important in regards of positioning in GVCs and can affect employment.

4.2.1 Canada

There are no explicit statements concerning the importance of certain tasks in the Canadian policy. However, concerning GVCs, the expressed aim is to help SMEs to access those (Canada 2013:12). Also, in order to promote Canada’s innovation advantage, it is seen as important to generate highly skilled individuals and new ideas to support Canadian innovative companies to create ‘well-paying jobs’ (Canada 2013:12).

4.2.2 Sweden

As an EU member, the interest of Sweden and the interest of the EU are discussed together in the policy, and it is even stated that:

“Policies must keep pace with technological development.
Obstacles, barriers and special national legislation must not stand
in the way of new sectors and opportunities for enterprises to grow
and develop within the EU.” (Sweden 2010:4).

The EU regional interests appear to weigh heavier than the Swedish national interests and their competitiveness is discussed together (Sweden 2010:4).

The policy also discussed strengthening of the digital internal market (e.g. Sweden 2010:1, 3), and put emphasis on creating a well functioning system for IP rights, which is said to be a fundamental prerequisite for safeguarding the competitiveness of Sweden and the EU (e.g. Sweden 2010: 4, 7).
4.2.3 The UK

The UK policy reflects the government’s awareness of GVCs and its determination of attracting and keeping high value-added tasks in the country:

“Analysis suggests that the UK would benefit most from the export of ‘up-market’ products (i.e. products that command a premium price thanks to a design, quality or sales service premium) and from specialising in those activities within the production chain generating most value-added.” (UK 2011:51).

In the policy, a series of activities shows that the UK is working towards trade liberalisation and improvement of the country’s business environment (e.g. UK 2011:14). Actions include introducing a preferential regime for profits arising from patents, known as a Patent Box, which is expected to encourage companies to locate high-value jobs and activities associated with the development, manufacture and exploitation of patents in the UK, and also enhance the competitiveness of the UK tax system for high-tech companies that obtain profits from patents (UK 2011:52). In addition, they will put focus on companies that are innovative and R&D intensive (UK 2011:54). The government will also set out an international approach to IP, which said to be crucial for innovative businesses (e.g. UK 2011:6, 10, 58).

As a member state of the EU, the policy also emphasizes the relationship between the regional economy and country growth:

“This means that boosting European growth, is central to trade and investment growth for UK firms within the EU, as well as in our national economic interest.” (UK 2011:29).

The policy explicitly discusses the importance of positioning in GVCs (UK 2011:52). It highlights the fact that the UK has been successful in attracting FDI and that this, together with the country’s strong competitiveness in high quality research activities, has resulted in an upward spiral for the UK to keep higher value-added tasks (UK 2011:20).
The country has a long successful history in certain tasks:

“Within the OECD, the UK is second only to the US in attracting R&D investment from abroad. The perceived quality of the UK research base was rated the most important factor in attracting these projects. Inward investors account for some 40% of UK business R&D.” (UK 2011:20).

“The Government will encourage a stronger partnership between British and Israeli companies to exploit the potential synergies between Israel’s high levels of innovation and British strengths in design, business growth and finance, as well as the UK’s own high technology and scientific strengths.” (UK 2011:33).

The UK is said to benefit from a substantial amount of inwards FDI. For example, about 1,400 Japanese companies are located there, including 100 who have set up their European headquarters. These companies employ more than 100,000 people in the UK, with Nissan, Toyota and Honda accounting for 50 % of vehicle manufacturing, and it is stated that: “The automotive sector is largest in terms of manufacturing employment and capital expenditure [...]” (UK 2011:32). In addition, the policy also communicates the benefits of outward FDI:

“Research has found that outward investment by UK firms in low and medium tech industries is associated with productivity growth both to the firm in question and also to other UK firms in the sector. Such investments may help firms to survive in an increasingly competitive business environment, maintaining jobs in the UK. [...] It also frees up resources at home to undertake more productive activities and makes a direct contribution to the UK economy through income earned on foreign assets owned by UK investors.” (UK 2011:21).
4.2.4 The US

The US has a strong focus on manufacturing:

“We also seek to ensure that the rules of origin and the global supply chain provisions create incentives for manufacturers to locate in the United States.” (US 2014:6).

The policy especially exemplifies this with mentioning aircraft manufacturing:

“Tens of thousands of jobs for US aerospace engineers, electricians, and related suppliers depend on US aircraft manufacturers being able to compete globally on a level playing field.” (US 2014:10).

Moreover, the government has an ambition to, as they say, strategically positioning American business at the centre of the 21st century global trading system (US 2014:1).

In addition, the government is creating a trade environment that specifically focuses on strengthening America’s competitive advantage in innovation, and IP rights is stated to be a key source of American jobs and for the encouragement of innovation and creativity (US 2014:5).

“We are also actively combating “localization barriers to trade”, which are measures designed to protect, favor, or stimulate domestic industries, service providers, and/or intellectual property at the expense of the industries, service providers, and IP rights holders of other countries.” (US 2014:6).

The US also engages in advancing regional economic integration, to expand their trade opportunities, as they seek to advance initiatives on supply chain performance, good regulatory practices, global value chains, IP, environmental goods and services, and innovation and trade policy. Multilateral agreements are discussed as well as engagement with the regions within the Association of Southeast Asian Nations (ASEAN) and Asia-Pacific Economic Cooperation (APEC) (US 2014:14).
4.3 The Product Aspect

In this section, we outline our findings concerning how policies connect to products, goods and services. More specifically, we examine how export, import and trade agreements are discussed and if any specific product, goods and service categories are lifted and the purpose of this.

4.3.1 Canada

It is stated that in 2006, Canada had free trade agreements with just five countries, but since then, the Canadian government has pursued the most ambitious pro-trade plan in Canadian history (Canada 2013:13).

The Canadian policy clearly communicates the importance of job creation through export and states that:

“Today, with one in five Canadian jobs dependent on exports, our prosperity hinges on opening new markets for Canadian goods, services and investment.” (Canada 2013:6).

The Canadian government appears to have their focus on the export that positively affects the number and quality of jobs in the country (Canada 2013:4). At the same time, it is stated that the Canadian government is providing financing to help firms to bring new products and services to the market faster (Canada 2013:12). One specific product category that was mentioned was aerospace products (Canada 2013:11).

4.3.2 Sweden

The Swedish policy frames the policy area of trade to be about promoting sustainable development (Sweden 2010:8), and about increasing the individual’s freedom and the opportunities for development, and about strengthening opportunities for voluntary and mutually beneficial exchange (Sweden 2010:12). They even quote the French economist Frédéric Bastiat stating that: “When goods do not cross borders, soldiers will.” (Sweden 2010:11).

The role of the EU is emphasized as important in negotiating trade agreements and Sweden expressed that they are pushing for the EU to reform rules and systems for example regarding RoOs (Sweden 2010:8-9). However, Sweden’s view is that bilateral
and regional agreements cannot replace the multilateral process, but they nevertheless are complements that pave the way for broader based and more extensive liberalisation (Sweden 2010:5).

Moreover concerning export, the Swedish policy states that export has changed character, mainly due to that trade in services has become increasingly important (Sweden 2010:2).

4.3.3 The UK

The UK policy shows a negative attitude towards the fact that:

“Many governments have implemented subtler, non-tariff means of protectionism, such as subsidies and support packages, ‘buy national’ incentives and pressuring companies on where to locate production facilities.” (UK 2011:23).

However, the UK also expresses a different perspective when stating that the ability to export expands the market into which competitive ‘British’ businesses can sell their goods and services, enabling them to grow, create jobs and generate profits (UK 2011:18). In addition, they say that imports increase the competition faced by UK companies and so spur innovation and efficiency while bringing down costs to consumers (UK 2011:18). It is also argued that the UK would benefit most from the export of ‘up-market’ products, which are products that command a premium price thanks to a design, quality or sales service premium (UK 2011:51).

Highlighting the regional benefits, the EU is stated to account for about half of all UK exports (UK 2011:19), and the policy emphasised that FTAs between the EU and key trading partners would bring benefits to UK business (UK 2011:10). In this context, the UK also discusses RoO, by saying that they welcome the recent improvements in RoO within the EU Economic Partnership Agreement (UK 2011:68-69). Furthermore, however, they state that a simplification and harmonization of RoO in FTAs within the WTO is an ambition (UK 2011:65).

The regional benefits are further highlighted as it is stated that the US, which is a long time trading partner and also one of the largest foreign investors in research and
development in the UK, is also a gateway to wider market access to Canada and Mexico through the North America Free Trade Agreement (NAFTA) (UK 2011:30-31).

According to the policy, the UK is the world’s second largest exporter of services and would particularly benefit from greater market access for their services. In 2011, services were said to represent 70% of world output, but only about one-fifth of world trade, and remaining trade barriers in services were generally far more significant that those in manufacturing (UK 2011:62).

### 4.3.4 The US

The policy emphasized the nationality of products is emphasised. Goods and services that are made in America are expected to communicate high quality so that consumers keep placing high value on these (US 2014:6):

> “Trade links American workers and their high-quality “Made in America” products with customers around the world.” (US 2014:2).

The US government aims to strengthen their economy by continuing the American leadership in negotiating high standard agreements that help US exporters to gain access to billions of customers beyond their national borders (US 2014:1).

The US also states that more than half of their imports provide inputs to value-added production in the US. They recognize that supply chains today are truly global, and inputs may cross borders multiple times before a finished product is completed (US 2014:2).

Certain products that are emphasized in importance are for example technology products. Elimination of duties on the newer products could increase US exports with $2.8 billion, and support up to 60,000 new American jobs (US 2014:4). The main ambitions seem to lie in the creation of jobs and sustainable economic growth (e.g. US 2014:1, 2), as they for example express that they will help US exporters of all sizes take full advantage of the job-supporting trade opportunities that trade agreements make possible (US 2014:11). In addition, the US policy aims to attract manufacturers to locate in the US by ensuring the RoOs and the global supply chain provisions (US 2014:6).
Related to services, the US aim to open foreign markets, create new opportunities for US exporters, and encourage the adoption of policies that promotes fair and open competition in international markets for services (US 2014:3). Building on this, the US knowledge and innovation economy is growing and it is stated that the US are now the world's largest trader in services and that three of every four American jobs are in the service sector (US 2014:3).

4.4 The Brand Aspect

In this section, we outline our findings concerning how the policies discuss the countries' brands, reputations, images, and spread of values, and the role of business in this.

4.4.1 Canada

The Canadian government is concerned with both promoting and supporting what they call ‘Canadian’ international business interests and aim to improve and coordinate branding and marketing of Canada abroad, in order to better assist current and prospective exporters (Canada 2013:11-12). It is said that the Canadian policy:

“[…] aligns Canada’s trade and investment objectives with specific priority markets and ensures that Canada is branded to its greatest advantage […].” (Canada 2013:16).

4.4.2 Sweden

The Swedish government state that a positive image of Sweden in the rest of the world is an important competitive advantage (Sweden 2010:9) in order to: “[…] help to lower the thresholds for enterprises that want to venture out into the world.” (Sweden 2010:9) Moreover, the policy communicates that the government is not only taking an active role themselves, but also expect business to contribute, strengthen and maintain the image (Sweden 2010:11) and connect the Swedish image with certain areas, for example:

“There is a great deal of interest around the world in Swedish green technology, and ‘SymbioCity’ – the export platform launched in spring 2008 – is helping to translate this into actual deals.” (Sweden, 2010:11).
Moreover, Swedish companies are said to be well known for their strong CSR focus (Sweden 2010:11), and as also lifted under the organisational aspect, the government works to maintain the positive image by putting pressure on Swedish enterprises to adapt to certain regulations, such as the OECD Guidelines for Multinational Enterprises and the UN Global Compact (Sweden 2010:11), because: “This strengthens Sweden’s image, and it strengthens our competitiveness.” (Sweden 2010:11).

4.4.3 The UK

The UK policy discusses the UK as one of the most attractive places in the world to do business and invest in (UK 2011:6, 13) and the aim is to support: “[…] a strong and credible global trading system that promotes UK values on open markets, free trade and investment.” (UK 2011:14).

The policy communicates the country’s advantage in attracting FDI and says that this in part is the result of a pro-active promotion strategy. Contributing to this are factors such as the UK competitiveness, flexible labour markets and skills, a stable transparent legal system, a low regulatory burden, the membership of the single market and the quality of life in the UK (UK 2011:20-21).

Suggesting a connection between the companies’ brand and the country’s brand, the policy also mentions some of what is stated to be the most famous UK brands, such as BP, Shell, Unilever, GSK, Jaguar and LandRover (UK 2011:39).

4.4.4 The US

The US policy communicates that the promotion of the positive ‘American values’ is something that producers and exporters gain from (e.g. US 2014:1, 3, 7, 9). For example:

“The Obama Administration believes that by improving labor rights through our trade initiatives abroad we can simultaneously uphold and promote US values, strengthen the ability of American workers here at home to have a fair shot at competing on a level playing field in the global marketplace, and help grow a larger middle class in our trading partners that will fuel demand for US goods and services.” (US 2014:7).
The policy especially focuses on the “Made in America”-label, and highlights the impact that individual products can have (US 2014:2):

“As American manufacturers increase our capacity to produce more advanced and value-added goods, consumers around the world continue to place a high value on products made in America.” (US 2014:6).
5. Analysis

In the following part we have gathered our findings from the empirical study and elaborate further on those and aim to explain these with the help of theory. At the end of this analysis, we summarize our findings and connect them to our aim.

The Organisational Aspect

Related to the organisational aspect of our theoretical framework, we were interested in if and how policies discuss the role of business in relation to the nation. We found that policies touch upon different situations that we discussed in the theory.

We found that countries refer to business in terms like ‘firm’, ‘company’ and ‘enterprise’ (UK 2011; Canada 2013; Sweden 2010; US 2014), without explaining further what determines their nationality, but we also saw the use of terms like ‘manufacturers’, ‘producers’ and ‘exporters’ (e.g. US 2014:6, 11, 15; Canada 2013:16), which provides a more concrete image of what specific type of business the policy is discussing. We cannot say if the national identity of companies are perceived to be of importance, but we did see however, that the US in their policy indicates that the quality and competence of companies are more important than whether they are American or not (US 2014:4, 7).

The performance of a country’s businesses ties directly to the country’s overall competitiveness (Xiaming Liu & Haiyan Song, 1997), and companies are according to our findings, carriers of the responsibilities of ensuring the creation of jobs (Canada 2013:16, US 2014:6, UK 2011:18), the keeping of higher value adding activities in the country (UK 2011:20), production of value-added goods (US 2014:6, 11, 15), attracting and maintaining investment (UK 2011:13, 52), and increasing global development and growth (Sweden 2010:1).

In the following paragraphs, we discuss the different situations in which companies can be tied to a country.

When discussing government support, the policies communicated an image of the traditional type of company that was described in the theory; a company that can easily tell the difference between their ‘home’ and foreign markets (Palmisano, 2006). Such companies are normally SMEs that are not yet taking part in GVCs, but have the ambition to expand to markets in other countries. They can be assumed as being owned
and run by national citizens that lack knowledge of foreign markets, and therefore have difficulties with foreign culture, regulation and language (Canada 2013:11; UK 2011:19; Sweden 2010:2).

The location of headquarters and/or central management in a country (U.K. 2011:20) is one of the ways to determine a company’s nationality (Jones, 2006b; Lyons, 2006; Jones, 2006a). However, having the headquarter in one country, does not necessarily mean the government considers the company as local: “The U.K. continues to be home to more European headquarters of overseas companies than all the other European economies combined.” (U.K. 2011:20).

This is connected to what Desai (2008) said about how a company’s different homes are being separated, and the home for managerial talent can be served by many locations, as different departments and parts of departments can reside in different nations simultaneously (Desai, 2008). Nevertheless, from a country’s perspective, headquarters and/or central management functions are more likely to engage in higher value-added activities (UK 2011:20). Therefore, companies that locate their headquarters or regional headquarters in one country can be beneficial for the country in which they reside, in the sense of value adding, and by that improve the country’s overall competitiveness.

Desai (2008) argued that irrespective of where a company is established, it could choose to change the countries in which they incorporate as well as the countries in which they list their stocks and have their financial function. A stable financial environment and strong investor protection benefit companies that locate their financial functions in such environments. For example taxation systems, labour systems, financial environment and other factors can influence companies decisions regarding the location of their business activities. In the policies, countries aim to structure their resources and business environments to attract high value-adding activities to locate in the country (UK 2011:51), to promote export (Sweden 2010:9) and to enhance job creation (US 2014:6, 7, 11, 15). A country’s strengths in research are used as a competitive advantage to attract similar types of activities (UK 2011:20, 49) and intellectual properties protection is also emphasized as important (US 2014:5; Sweden 2010:5). In addition, the taxation systems and the need for their development was also brought up (Sweden 2010:4) as the current unclarity regarding these may hamper both consumers and companies to fully benefit from trade.
We found that policies communicate the role of MNCs in a vague yet interesting way. All policies seem to draw a line between MNCs and the type of companies that are otherwise addressed in their policies (UK 2011:52; US 2014:7; Sweden 2010:12; Canada 2013:9), and have different opinions about what to expect from MNCs. First, MNCs can be viewed as a competition to local business due to their already established position in GVCs (Canada 2013:9). However, in policies from the UK and the US, the role of MNCs is more positive, as they are providers of investment, higher wages and more jobs (US 2014:7, UK 2011:32, 52). According to the UK policy, MNCs can be considered as belonging to one country, for example the UK policy uses the expression “multinational US firms” (UK 2011:52). Another statement was: “Major British businesses such British Gas, BP, Shell, Unilever, GSK, Jaguar and LandRover [...]” (UK 2011:39). In addition, the Swedish business sector is encouraged to adapt to international soft regulations such as the OECD Guidelines for Multinational Enterprises and the UN Global Compact (Sweden 2010:11), which once again shows the blurry boundary between MNCs and local business. On the other hand, the Swedish policy also made a difference between MNCs and nations (Sweden 2010:12), suggesting MNCs’ special position as a creature that is beyond the definition of the nation.

The world is merely shaped by national boundaries today, but rather by history, language, culture and religion (Holcomb, 2003:22). The policies suggest that companies that go to markets with similar culture and value to their own, gives the companies an advantage. For instance, the UK policy emphasised its natural partnerships for business development with India and the US (UK 2011:30-31, 35), while it was claimed that Russia is a country with a difficult business climate (U.K. 2011:37). Further, the Canadian policy emphasised that expansion into new markets should include those where the Canadian companies’ engagement in CSR gives them an advantage (Canada 2013:8).

When it comes to individual companies, the nationality of main managers/shareholders is sometimes used to identify company’s national identity (Lyons, 2006). We cannot find relevant statements in the policies of such situations, but some indications can be found. High-level management is in charge of the design of the company strategy and thus have influence on development of a company and its culture (Desai, 2008). Regardless of in which country a company resides, the company culture is argued to be most influenced
by its top management (Hirsch, 2011). When a policy communicates that it expects their companies to behave according to and consistent with the country’s values, for example when the government expects its enterprises to carry on CSR practices (Sweden 2010:11), we believe that this indicates the assumption that the companies have a strong Swedish cultural influence. Drawing on the statements made by Scott and Lane (2000), individuals and organisations are embedded in a larger culture and that it is in relation to this, that we make sense of our own as well as of others’ behaviour. This suggests that engagement in for example CSR is only a competitive advantage within cultures that share these values. As argued by Holcomb (2003:31), regardless of regulation and promotion of certain corporate behaviours, this tells us little about what is actually going on inside corporations, implying that values and behaviours needs to come from within.

Culture is a factor that appears to be surprisingly important and influential. We saw in the empirical findings that values (US 2014:1), culture and history matters (UK:30-31, 35), for example when it comes to expanding to new markets (Canada 2011:8, 11). However, our theoretical framework did not reflect the strong role of culture, instead earlier research focus more on how countries relate to companies through more tangible measurements, e.g. through the place of incorporation, financial environment and legal environment. Holcomb (2003) stated that culture is a very important division in the world today and Yip et al. (1997), which we brought forward in our background, also argued that nationality is a concept that among other things includes culture, history and experience. This makes us wonder whether the national identity of companies today may not be so tightly connected to one specific nation, but rather to the cultural context that may be made up by more than one nation. Desai (2008) emphasized that the tangible measures used to determine which country a company belongs to, is inadequate today as companies’ different functions are no longer unified or bound to one country. This makes the concerns that were expressed in the Swedish policy regarding the current business environment important: “Where should taxes and VAT be paid after a digital transaction? How can consumers find out about their rights?” (Sweden 2010:4). In the complexity we are facing today, the cultural connection may provide a clearer tie between business and countries.
The Task Aspect

Related to the aspect of tasks, we were curious to find how policies related to and discussed GVCs and different types of jobs and if and how they aim to attract these. As claimed by Baldwin (2006), the emphasis on the aspect of task comes from the development of GVCs. Therefore, countries can be expected to discuss tasks from the perspective of upgrading in GVCs, both as an economic development strategy, and as a tool for generating more high value-adding jobs (Berman, 2011). The extent of discussions regarding this aspect varied in the policies. However, what was discussed is consistent with what was put forward in the theoretical framework, as emphasis was put on keeping and attracting value and value added tasks to the country (UK 2011: 20, 51, 52, 54; US 2014:1, 6, 14).

GVC scholars have discussed the impact of outsourcing on a country’s employment. Many scholars like Lakhani et al. (2013) holds the argument that when firms reduce direct ownership over tasks and offshore to suppliers in other country, it can result in reduction of the domestic employment rate. In the policies, FDI is considered very important in increasing domestic employment (UK 2011:20, 32). Accordingly, countries have more advantage in attracting relevant companies to locate in their nation when they go further in fragmentation and developed competitive advantages (UK 2011:33). Countries benefit when domestic companies invest abroad because it frees the country’s resources (UK 2011:21), in order to participate in tasks that they are fragmented in. FDI brings higher value-added tasks and also knowledge and technology in their special area, so it becomes a win-win situation for countries to further strengthen its strong areas, the overall employment rate is not threatened, but in the contrast utilized.

What should be highlighted here is the gap between the empirical and the theoretical findings. GVCs make it impossible to determine which tasks will be more competitive and which tasks are more likely to be offshored (Baldwin, 2006). However, we can see from policies that the traditional view of ‘higher skilled workforce’ and ‘well-paying jobs’ are still considered to be more competitive, prevails. But as illustrated by Baldwin (2006), innovative and technologically oriented tasks like programing can be easily offshored in GVCs. Furthermore, countries do have preferences when it comes to the tasks they want to attract. For example aircraft manufacture (US 2014:10), research and design (UK 2011:20, 33), which are classified as higher value-added tasks (UK 2011:20).
Companies are suggested to relocate different tasks to countries that maximise the efficiency (Baldwin, 2012), however the risk of losing technology made companies keep knowledge intensive tasks in their ‘home’ country (Jones, 2006b). Policy makers echo on scholars concern, as they addressed the issue in their policies. All countries aim to improve the business environment, in order for innovative enterprises to grow. They also aim to provide protection for digital products and knowledge intensive tasks. The importance of more regulated intellectual property right is communicated and emphasised in all policies, (e.g. US 2014:5; UK 2011:10; Sweden 2010:1, 3, 4, 7).

GVCs can occur on regional levels, which allow companies to benefit from reallocation, but still enjoy the economic activity concentration (Baldwin, 2012). The regional development thus becomes vital to policy makers. In response to that, policies communicate the importance of the EU is emphasized in both the UK and in the Swedish policies (Sweden 2010:4; UK 2011:29). Due to the fact that both countries are members of the EU, the policies communicate the governments’ actions in actively shaping the region into a more business friendly environment that will attract more businesses to consider it as a location for different tasks. Sweden even takes it one step further and claims that:

"Obstacles, barriers and special national legislation must not stand in the way of new sectors and opportunities for enterprises to grow and develop within the EU." (Sweden 2010:4).

The US also highlights the importance of regional cooperation and economic integration for expansion of trade opportunities within ASEAN and APEC (US 2014:14).

The product aspect

When it comes to the aspect of products, we were interested in seeing if and how the policies connected to goods and services in relation to their own nation and how they discussed import and export, trade agreements and their implications, RoO for goods and the complexities in determining the origin of services.

All policies stressed how international trade benefit their countries and none of them seem to share the economic nationalism and protectionist view put forward by Milne.
(2009) (e.g. Canada 2013:13; Sweden 2010:8, 11, 12; UK 2011:23; US 2014:1, 2, 4). Yet, policies often emphasise the nationality of the respective countries’ products, by using expressions like ‘Made in America’ products (US 2014:2) and ‘Canadian goods’ (Canada 2013:6).

Trade agreements are seen as important promoters for trade (Canada 2013:13; Sweden 2010:5; UK 2011:10, 30-31; US 2014:1). This explains the ‘spaghetti bowl’ metaphor for describing the rapid increase of FTAs (Estevadeordal & Suominen, 2009). However, policies lifted the opinion that even though bilateral and regional agreements are beneficial, the multilateral processes are very important (Sweden 2010:5 UK 2011:62, 65; US 2014:1).

Furthermore, the regional importance was highlighted in the policies. For example, the EU is expected to play the role of negotiator for its member states (UK 2011:10; Sweden 2010:5). Another view of the regional importance could be seen in the example of NAFTA, where the US, Canada and Mexico are members. The UK is a long term trading partner of the US and thanks to the American membership in NAFTA, the UK gets better access to the Canadian and Mexican markets (UK 2011:30-31).

The growing interdependence in world trade brings out the question of products nationality, because there are no multilateral rules administering RoO (Inama, 2009). Different trade agreements define RoOs differently, and well-organised industries have enormous scope to essentially insulate themselves from the effects of the FTAs by devising the suitable RoO (Krishna, 2005). The policies discussed ambitions to improve RoO conditions (Sweden 2010:8-9, UK 2011:65, US 2014:6). The practical implication here is that manufacturers must include a minimum fraction of inputs produced in the actual region. Thus, FTAs can actually limit the companies’ choices of sourcing from outside countries (Takauchi, 2011). In relation to this, policies put forward their preference of import of value-added intermediate goods, and the fact that this can spur innovation domestically (UK 2011:18; US 2014:2). It was expressed that the most benefits come from export of up-market products, that command a premium price thanks to a design, quality or sales premium (UK 2011:51), as well as technology products and other high value added goods (US 2014:4).
The concept of ‘servification’ refers to how manufacturing firms increasingly buy, sell, produce and export services as integrated or accompanying parts of their primary offer, and therefore, a great part of countries’ competitiveness in GVCs depends on the efficient service inputs (Cattaneo et al., 2013). The policies show governments’ attention and concerns of services (Sweden 2010:2; UK 2011:62; US 2014:3) and due to its complicated nature, the origin of services is harder to define than for goods (Fink & Nikomborirak, 2007). It becomes a great problem facing the governments, because countries can particularly benefit from greater market access for their services. In 2011, services represent 70% of world output, but only about one-fifth of world trade (UK 2011:62).

**The Brand Aspect**

Theoretically, brands can elicit a broad range of feelings and associations that give them meaning, salience and relevance, and brands and countries often merge in the mind of the global consumer (Martin, 2007). Countries’ brands normally connect to certain areas more than others (Levin, 2012) and therefore, a country's reputation and image can have direct influence on consumers’ perception (Ahmed et al., 2002). All policies in our empirical study communicated the importance of their national brand and stated that it is something the country's exporters profit from (Canada 2013:11-12, Sweden 2010:9; US 2014:1), makes it easier for businesses to enter foreign markets (Sweden 2010:9) and that helps attracting FDI (UK 2011:13). All governments show commitment in building their national brand, and have taken the matter of improving it into their own hands (US 2014:7; UK 2011:20-21; Sweden 2010:9; Canada 2013:11-12). However, the business sector is to some extent expected to contribute. The Swedish policy indicates how collaboration between business and government in certain areas can strengthen the nation’s brand and its connections to these areas (Sweden, 2010:11).

Evaluation processes does not only activate perceptions that relates to a certain products, but also triggers a more general perception of the country which a product is connected to, and the general opinion about the products that are from there (Hong & Wyer, 1989). The ‘country of origin’ (CoO) evokes cognitive responses regarding the quality, dependability and value of a product (Ahmed et al., 2002). Therefore, it also depends on individual enterprises to keep and maintain the image of the country with
which they are associated (Sweden 2010:11). The US emphasised the ‘Made in America’ label (US 2014:2), and a good image of a country goes both ways as it benefits the business in the country, or businesses that associate themselves with the country. In turn, companies can be representatives of the image. This may be the assumption of the UK, as they mention some major businesses as being 'British' (UK 2011:39).
6. Discussion

The aim of this paper was to find a new way of how we can understand the relationship between business and nation-states and our research question was: *Is it possible to understand the national identity of companies through different aspects of business, and if so, how is this reflected in the national trade policies of four countries?*

We believe that our framework has provided a new and more diverse way of how to understand the relationship of business and countries, which is more in tune with reality.

Regarding the organisational aspect, policies did not touch upon all the different parameters brought up in the theoretical framework. However, they did reflect the confusion regarding how to tie companies to their nations that we made evident in the theoretical background. Culture appears as a surprisingly important factor to countries regarding their relation to business. We did see indications of that businesses’ contribution is more valuable to countries than what nationality they have.

The aspect of task is not discussed very extensively, and this may be due to that the development of GVCs is rather new and policy makers have issues in keeping up. The connection between values adding, employment and tasks is what we believe countries need to consider more. What was evident in the policies was the emphasis on the regional importance.

Regarding the aspect of products, we saw that countries are interested in increasing international trade. In the theoretical framework, it was stated that there are no multilateral rules neither regarding RoO nor the determination of the origin of services and in our study, we could see implications that policy makers find difficulties in connecting to and controlling what goods and services are actually theirs. They welcome improvements of RoO and note that there are still barriers hampering the service sector. More multilateral solutions concerning this could make the conditions better, but as for now, policy makers should focus on the value-added aspect.

Regarding the aspect of brand, businesses appear to be the beneficiaries that profit from the work of governments. This makes it reasonable to argue that there are untapped possibilities for governments to consider this in a more strategic way, for example by
enhancing co-operation between governments and companies to build the nation’s brand.

Countries need companies for many reasons; to increase employment, to increase international trade and growth, and to increase the national competitiveness, to state a few. However, globalisation brought more freedom to business, which has decreased the power and control that governments can exercise. Companies’ newly gained power allows them to move freely, choose the country that can provide them the most sufficient resources for specific functions or tasks, which in turn forces countries to compete with each other to attract and maintain businesses within their borders. However, we can also see the trend of integrated governance on a regional level, which reduces barriers and eliminates the boundaries between nations. This tendency further weakens the connections between companies and countries, changing the relationship from creators and creatures, to suppliers and demanders.

Because of the fact that nations are still the main actors in policy making and as each country is governed by their own regulations and legal systems that firms need to follow, we argue that the national identity of companies still matters, but not in the traditional sense.

Our study proposed a framework that provides different aspects of how businesses can be tied to countries, and through analysis of our empirical findings, we have been able to understand that business can play different roles in relation to a country. To take the discussion one step further, we provide three important points that help us understand the relationship between the two.

The most important factor is location. Even though there are many legal tests and different parameters used regarding the concept of companies’ national identity, such as how and which functions are located in a specific country, how big the facility is, what activities it engages in etc. This can directly influence the country’s employment and its benefits regarding value added. The decisions of businesses of which functions and tasks to locate where, depends on the business environment of and the areas in which a country are specialised or what they can offer, which means countries’ fragmentation choices matter. RoOs link products’ producing countries directly to a nation’s export/import and task location determines the value countries get to keep in GVCs. To sum up, location is the most important parameter when determining a country’s
national identity and therefore, the first implication for policy makers and business is to determine what the countries want to achieve and what role they want business to play, and focus their policies accordingly.

Secondly, culture is a surprisingly prominent factor in our findings. A country’s culture set the foundation of how the country is perceived and also how it relates to business. However, it is an intangible measurement and therefore difficult to be practically implicated or included in legal test or other parameters. For future research, culture, as an intangible measurement, can be of great importance to the national identity of a company.

Thirdly, our findings show that a company can contribute to a country in various means. Businesses that are considered as foreign can contribute to countries in great ways, for instance by providing jobs, knowledge and by spurring innovation. The contribution and the perceived foreign identity of a company, add another layer of confusion to the issue of companies’ national identity. Depending on the situation, by simply looking at the contribution or damage a company does to a country, it provides a different perspective than the traditional way of looking at company national identity, which mainly values companies that 'belongs' to the country.

Our results show ambiguity regarding how countries discuss companies. The image of a typical ‘Canadian’ or ‘Swedish’ company is a company that can easily be distinguished in regards of its nationality, and this is the easiest form for people to image and understand. Such companies also mostly rely on the government, compared to companies that engage in GVCs, and have less bargaining power compared with big global firms. Our take on this, is that due to the ambiguity of how to define what companies that belong to a specific country, policies simply refer to the most stereotypical type. However, we would like to point out that the technological development allows even the smallest businesses to go beyond the national boundaries.

We found it intriguing that different policies communicated different views on MNCs and what to expect from them, as this was the very confusion and the original reason that led us to engage in this research.
6.1. Conclusion

For practitioners in business and policy making, we see that this study provides a foundation for a more strategic approach to the relationship of business and nations, as both depend on each other for different reasons. Policy makers need to find ways in which they can adjust to current changes and business could profit from further understanding how policy makers relate to them, in order to better position themselves in relation to nations.

The main contribution of this paper is the new perspective it has provided on the relationship between business and nations. We have shown that there is no one single way in which business can be tied to nations and by that we argue that the national identity of companies still matters, but in different way than it has before.

In regards of future research, a suggestion would be to elaborate more on the four aspects we put forward in our framework, and to focus on narrower policy areas, such as export credits, to further examine how national governments handles and treats their relationship to business in a more practical sense. We also believe that case studies, involving individual countries, could contribute to a deeper insight into the correlation between policies and action. In general, researchers need to find ways to incorporate current changes in their empirical and theoretical work.
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Appendix

The purpose of these questions that all stem from our theoretical framework, was to in a first step, bring out the data that was relevant to our study from the empirical material.

The Organisational Aspect

1. Looking at the relationship as a bargaining situation – are the countries or the companies the stronger part? Are the governments, or are the companies, drivers of development?

2. Is the national identity of companies important?

3. Does (COUNTRY) seem to define the national identity of companies depending on where the company first originated, owners/shareholders, managers, place of incorporation, the location of headquarters or any another factor? How does this show?

4. Does (COUNTRY) in some way include some companies and exclude some companies in relation to their own nation.

5. Does (COUNTRY) discuss company behaviour and how is this valued? Are some behaviours valued as ‘Swedish’ or ‘American’ etc.?

The Task Aspect

6. Does (COUNTRY) mention GVCs, fragmentation, offshoring or related terms? If so, how does (COUNTRY) relate this to their own nation? Do (COUNTRY) express concerns?

7. Does (COUNTRY) talk about upgrading or downgrading in GVCs? If so, how?

8. Does (COUNTRY) mention certain task as particularly important to keep or maintain within the nation?

9. Does (COUNTRY) talk about how they will attract certain tasks? If so, how?

10. Does (COUNTRY) discuss ownership of value chains? If so, how do they relate to their role and the role of business?

11. Does (COUNTRY) express a view that emphasizes the importance of their region within the policy area?
The Product Aspect

12. Does (COUNTRY) talk about (COUNTRY)-products (e.g. ‘Swedish products’)? If so, how?

13. Does (COUNTRY) talk about products ‘Made in...’?

14. How does (COUNTRY) refer to and discuss trade agreements?

15. How does (COUNTRY) talk about RoO for goods?

16. How does (COUNTRY) talk about services and how they relate to individual nations?

The Brand Aspect

17. Does (COUNTRY) talk about their national brand?

18. Which roles does companies, tasks, products or other factors tied to business play in relation to (COUNTRY) and their national brand?

19. Are there companies, tasks, products or other factors tied to business that (COUNTRY) sees as carriers of their national brand?

20. Why, according to (COUNTRY), does the national brand matter, and to whom?

The overall impression

21. When was the policy published and by which part of government?

22. How does (COUNTRY) frame their trade policy? What is the main purpose of the policy area of trade?